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**MAILED**

**APR 28 2011**

**OFFICE OF PETITIONS**

Yutaka Oshida  
Director of Japan Peparon Company, Inc.  
20-28-302 Konemoto  
Matsudo-shi, Chiba  
**JAPAN**

In re Patent of Nakamura et al.	:	
Patent No. 6,964,933	:	
Issue Date: October 12, 1999	:	Decision on Petition
Application No. 08/884,778	:	
Filing Date: June 30, 2007	:	
For: Biodegradable Molding Material	:	

This is a decision on the petition under 37 C.F.R. § 1.378(b) to reinstate the above-identified patent filed February 23, 2011

The petition is **DISMISSED**.

Facts

The application was filed June 30, 1997.

An assignment from the sole inventor to Industrial Technical R & D Laboratory, Inc. ("ITL") was recorded on November 3, 1997.

The application issued as a patent on October 12, 1999.

ITI licensed the patent to Japan Peparon Company, Inc. ("JPC") on September 11, 2002. The license includes the inventor's signature as a Representative Director of ITI.

The license agreement required ITI to pay maintenance fees and other expenses for the patent.

The inventor had a stroke on October 14, 2002. The English translation of a "Medical Certificate" filed with the petition states the hospital "diagnosed [the inventor] as suffering from cerebral infarction and cured conservation treatment." The meaning of the phrase "cured conservation treatment" is unclear.

The medical certificate does not address the inventor's health for the time period from October 15, 2002, to December 12, 2002.

The inventor was taken to Kyoritsu Onsen Hospital on December 12, 2002. The medical certificate implies, but does not clearly state, the inventor was in the hospital the entire time period from December 12, 2002, to April 21, 2003. The translation of the Medical Certificate states the inventor left the Kyoritsu Onsen Hospital on April 21, 2003, and was admitted into a "hospital for senior citizens nursing facility."

The petition includes a translation of a "Registry of Kitamura Patent and Law Office." Portions of the registry are vague and/or ambiguous. The registry *appears* to indicate the Kimura Patent and Law Office ("Kimura") informed ITI of the need to pay the 3.5 year maintenance fee for the patent on or about October 18, 2002, and Kimura received instructions from ITI to pay the 3.5 year maintenance fee either on January 21, 2003, or February 21, 2003. The record fails to identify the individual at ITI who provided Kimura with the instructions to pay the fee.

The 7.5 year fee was payable from October 12, 2006, to April 12, 2007, or with a surcharge from April 13, 2007, to October 12, 2007.

Kimura's registry appears to indicate Kimura informed ITI of the need to pay the 7.5 year maintenance fee for the patent on or about March 27, 2007. The translation of the registry includes the following language in two different locations: "'07.4.4. Tel : abandonment by without payment." The registry also states, "APR.-4. 2007 Abandonment RCVD." The preceding language appears to be an indication a representative of ITI informed Kimura not to pay the 7.5 year maintenance fee.

The 7.5 year maintenance fee was not timely paid and the patent expired on October 13, 2007.

The petition asserts, as a result of the inventor's stroke, the inventor "could not make up an adequate decision on the expiration of the patent." The petition asserts JPC was not informed of the inventor's decision not to pay the maintenance fee. The petition states the inventor passed away on April 27, 2008.

### Law

A grantable petition under 37 C.F.R. § 1.378(b) must be accompanied by a showing to the satisfaction of the Director that the entire delay in paying the required maintenance fee from the due date for the fee until the filing of a grantable petition pursuant to this paragraph was unavoidable.

In order for a party to show unavoidable delay, the party must show "reasonable care was taken to ensure that the maintenance fee would be promptly paid."<sup>1</sup> The level of "reasonable care" required to be shown is the same as the level of "care or diligence ... generally used and observed

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<sup>1</sup> 37 C.F.R. § 1.378(b).

by prudent and careful men in relation to their most important business."<sup>2</sup> When determining if a period of delay has been shown to have been unavoidable, the Office will take "all the facts and circumstances into account" and will decide each petition "on a case-by-case basis."<sup>3</sup>

35 U.S.C. § 41(c)(1) states, with emphasis added, "The Director may accept the payment of any maintenance fee . . . after the six month grace period if the delay is *shown to the satisfaction of the Director* to have been unavoidable." Therefore, a petitioner has the burden of proof.

### Analysis

#### The Petition is not Properly Signed.

The petition is signed by Yutaka Oshida as Director and Deputy of JPC.

The petition states JPC is the assignee of the patent. However, JPC's proof of ownership consists of a "Patent License Agreement." A license is *not* the same as an assignment.

The statement under 37 CFR 3.73(b) filed with the petition states documentary evidence showing a chain of title to JPC is being concurrently filed for recordation. However, Office records fail to indicate an assignment from ITI to JPC has been recorded. Office records also fail to indicate a copy of the license agreement has been recorded.

37 CFR 1.378(d) states,

Any petition under this section must be signed by an attorney or agent registered to practice before the Patent and Trademark Office, or by the patentee, the assignee, or other party in interest. is not the equivalent of

The record fails to prove Yutaka Oshida is a registered attorney or agent or an inventor. The record also fails to prove JPC is the assignee of the patent or prove JPC falls within the scope of the phrase "other party in interest" as set forth in 37 CFR 1.378(b). Therefore, the petition must be dismissed.

#### The Petition Fails to Establish the Entire Delay in the Submission of the Fee was Unavoidable.

ITI appears to have intentionally made the choice not to pay the maintenance fee. An intentional failure to pay a fee is not an unavoidable failure to pay a fee.

The petition *assumes* the inventor made the decision and *assumes* the inventor was incapable of making adequate decisions concerning the expiration of the patent. However, the record fails to

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<sup>2</sup> *In re Mattulath*, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912). See also *Ray v. Lehman*, 55 F.3d 606, 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995) (citations omitted) ("[I]n determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person.")

<sup>3</sup> *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982).

establish the inventor was employed by ITI on April 4, 2007, or that the instructions Kimura received on April 4, 2007, were from the inventor. The record also fails to include any evidence pertaining to the inventor's ability to make rationale business decisions on April 4, 2007. Therefore, JPC has failed to prove ITI's instructions were the result of an inability of the inventor to make reasonable decisions regarding the patent.

Even if the petition established the inventor made the decision and established the inventor was incapable of making rational business decisions, the showing of record would be insufficient to establish unavoidable delay. When a party relies on an agent, such as ITI, to take certain steps, a petition must address not only the party's actions *but also* must address the agent's actions or inactions.<sup>4</sup> In other words, in order to establish unavoidable delay, JPC would need to prove ITI treated its obligations concerning the patent with the same level of care and diligence normally exercised by reasonable and prudent individuals when handling their most important business. JPC assumes ITI was allowing the inventor to make business decisions on its behalf during 2007, while at the same time assuming the inventor was incapable of making rationale business decisions. However, JPC has not shown a reasonable and prudent company would allow an individual incapable of making rationale business decisions to make decisions concerning the company's most important business.

Pursuant to 37 C.F.R. § 1.378(b)(3), a showing of unavoidable delay must identify "the date and the manner in which [the relevant party] became aware of the expiration of the patent, and the steps taken to file the petition promptly." The petition fails to identify the date or manner in which JPC learned the patent expired or identify any steps taken by JPC to file the petition promptly.

In view of the prior discussion, the showing of record is not sufficient to establish that the entire delay was unavoidable within the meaning of 37 C.F.R. § 1.378(b).

#### The Petition Fails to Identify the Application Number and Patent Number.

The petition fails to identify the application number of patent number for the instant case. All future correspondence filed concerning the instant case should clearly and prominently identify the application number and the patent number.

#### Fees

A petition under 37 C.F.R. § 1.378(b) must include the applicable maintenance fee and a required surcharge. In this case, the petition needed to be accompanied by \$1,240 for the 7.5 year maintenance fee and \$700 for the required surcharge.

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<sup>4</sup> See *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P'ship*, 507 U.S. 380, 396, 397 (1993) ("The [Circuit] court also appeared to focus its analysis on whether respondents did all they reasonably could in policing the conduct of their attorney, rather than on whether their attorney, as respondents' agent, did all he reasonable could to comply with the court-order bar date. In this, the court erred. . . . [I]n determining whether respondents' failure to file their proof of claim prior to the bar date was excusable, the proper focus is upon whether the neglect of respondents and their counsel was excusable." (emphasis in original)).

The sum of \$1,940 (\$1,240 + \$700) appears to have been charged in this case to a credit card on February 18, 2011, and to a credit card on March 24, 2011. As a result, the Office has received a total of \$3,880.

The Office has scheduled a refund of \$1,940 of the \$3,880. The \$1,940 will be credited back to the credit card used to pay the fee.

### Address

The file does not indicate a change of address has been submitted, although the address given on the petition differs from the address of record. If appropriate, a request to change the address of record should be filed. A copy of this decision is being mailed to the address given on the petition; however, the Office will mail all future correspondence solely to the current address of record until proper instructions to change the address of record are received.

### JPC's Current Options

#### I. JPC May File a Request for Reconsideration.

A request for reconsideration may be filed in this case. Such a request must be submitted within TWO (2) MONTHS from the mail date of this decision and include a non-refundable petition fee of \$400. Extensions of time under 37 C.F.R. § 1.136(a) are NOT permitted. The reconsideration request should include a cover letter entitled "Renewed Petition under 37 CFR 1.378(b)."

The last date the 11.5 year maintenance fee can be timely paid, with a surcharge, is October 12, 2011. If a request for reconsideration is filed, a decision responding the request may not be mailed until after October 12, 2011. Therefore, any request for reconsideration should include \$1,900 for the 11.5 year maintenance fee.

*After a decision on the petition for reconsideration is issued, no further reconsideration or review of the matter will be undertaken by the Director.* Therefore, it is extremely important that petitioner supply any and all relevant information and documentation with his request for reconsideration. The Commissioner's decision will be based solely on the administrative record in existence. Petitioner should remember that it is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable. Therefore, if a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

#### II. JPC May Request a Refund of the Maintenance Fee and Surcharge.

Since the petition is dismissed, petitioner may request of the \$1,940 charged to a credit card on February 18, 2011. The \$1,940 consists of \$1,240 for the 7.5 year maintenance fee and \$700 for the required surcharge. Petitioner is reminded that if a request for reconsideration is later filed along with the \$400 fee, the \$400 will not be refunded. A request for a refund should be sent

to: Mail Stop 16, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450. A copy of this decision should accompany any request for refund.

Further correspondence with respect to this matter may be submitted as follows:

By Internet: A request for reconsideration may be filed electronically using EFS Web.<sup>5</sup> Document Code "PET.OP" should be used if the request is filed electronically.

By mail: Mail Stop Petition  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

By facsimile: (571) 273-8300  
Attn: Office of Petitions

By hand: U.S. Patent and Trademark Office  
Customer Service Window  
Randolph Building  
401 Dulany Street  
Alexandria, VA 22314

Telephone inquiries regarding this communication should be directed to Petitions Attorney Steven Brantley at (571) 272-3203.



Charles Steven Brantley  
Senior Petitions Attorney  
Office of Petitions

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<sup>5</sup> General Information concerning EFS Web can be found at <http://www.uspto.gov/patents/process/file/efs/index.jsp>.